



Patrick W. Henning, Director



Arnold Schwarzenegger
Governor

December 23, 2008
22M:341:JDT:9053

Ms. Elaine Craig, Executive Director
Madera County Department of Education
Employment Training Office
209 East 7th Street
Madera, CA 93638

Dear Ms. Craig:

WORKFORCE INVESTMENT ACT
85-PERCENT PROGRAM REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2008-09

This is to inform you of the results of our review for Program Year (PY) 2008-09 of the Madera County Workforce Development Office's (MCWDO) Workforce Investment Act (WIA) 85-Percent program operations. We focused this review on the following areas: Workforce Investment Board and Youth Council composition, local program monitoring of subrecipients, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, and Youth program operations including WIA activities, participant eligibility, and Youth services.

This review was conducted by Mr. David Davis and Ms. Molly Maloney from October 20, 2008, through October 24, 2008.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by MCWDO with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2008-09.

We collected the information for this report through interviews with MCWDO representatives, service provider staff, and WIA participants. In addition, this report includes the results of our review of sampled case files, MCWDO's response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2008-09.

During your December 22, 2008 telephone conversation with Jim Tremblay of my staff, you indicated that nothing has changed since the release of the Draft Report and requested that the Draft Report be released as a Final Report. Therefore, because you

did not respond to the Draft Report, findings 1 and 2 remain open and have been assigned Corrective Action Tracking System (CATS) numbers 90030 and 90031.

BACKGROUND

The MCWDO was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. During our review, MCWDO expended minimal funding allocated for PY 2008-09. However, for PY 2007-08, MCWDO was allocated: \$657,670 to serve 296 adult participants; \$668,489 to serve 226 youth participants; and \$145,053 to serve 123 dislocated worker participants.

For the quarter ending June 30, 2008, MCWDO reported the following expenditures for its WIA programs for PY 2007-08: \$490,170 for adult participants; \$595,101 for youth participants; and \$145,053 for dislocated worker participants. In addition, MCWDO reported the following enrollments for PY 2007-08: 265 adult participants; 240 youth participants; and 104 dislocated worker participants. We reviewed case files for 31 of the 31 participants enrolled in the WIA program as of October 20, 2008.

PROGRAM REVIEW RESULTS

While we concluded that, overall, MCWDO is meeting applicable WIA requirements concerning grant program administration, we noted instances of noncompliance in the areas of Selective Service and Workforce Investment Board (WIB) composition. The findings that we identified in these areas, our recommendations, and MCWDO's proposed resolution of the findings are specified below.

FINDING 1

Requirement: WIA Section 189(h) requires that participants must not have violated Section 3 of the Military Selective Service Act, which requires that every male citizen residing in the United States must register with the Selective Service System between their 18th and 26th birth dates.

WIAD04-18 states, in part, that all males who are at least 18 years of age and born after December 31, 1959, and who are not in the armed services on activity duty, must be registered for Selective Service (SS). A youth who becomes 18 years of age while participating in a WIA program must register within 30 days of his 18th birthday.

Observation: We observed that five male participants who became 18 years of age while participating in the WIA Youth program had not registered for SS. Four of the five participants subsequently

registered during the time of our onsite review. However, one remained unregistered.

Recommendation: We recommended that MCWDO provide the Compliance Review Division (CRD) with SS documentation regarding the one participant noted above, who was still unregistered at the time of the monitoring visit. Additionally, we recommended that MCWDO provide CRD with a Corrective Action Plan (CAP) describing how it will ensure that male participants register with SS no later than 30-days following their 18th birthday.

MCWDO Response: The MCWDO did not respond to the Draft Report.

State Conclusion: Since MCWDO did not respond to the Draft Report, we cannot resolve this issue at this time. We continue to recommend that MCWDO provide CRD with SS documentation regarding the one participant noted above, who was still unregistered at the time of the monitoring visit. If MCWDO is unable to provide documentation of the participant's SS registration, then we recommend that MCWDO provide documentation to CRD substantiating that the costs of providing services to this participant have been backed out of the WIA account. Additionally, we continue to recommend that MCWDO provide CRD with a CAP describing how it will ensure that male participants register with SS no later than 30-days following their 18th birthday. Until then, this issue remains open and has been assigned CATS number 90030.

FINDING 2

Requirement: WIA Section 117(b)(4) requires, in part, that each local board shall have a majority of the members representing business in the local area.

Observation: We observed that the membership of the WIB is not composed of a business majority. The WIB is comprised of 25 members, of whom nine members are from the business community. Four additional business members are needed to establish a business majority. However, MCWDO did provide written material to demonstrate its efforts to fill the vacant seats.

Recommendation: We recommended that MCWDO continue its efforts, and also provide a CAP, including a timeline, describing the steps that it will take to establish a business majority on the WIB, and provide CRD with a copy of the WIB roster after the vacancies are filled.

MCWDO Response: The MCWDO did not respond to the Draft Report.

State Conclusion: Since MCWDO did not respond to the Draft Report, we cannot resolve this issue at this time. We continue to recommend that MCWDO continue its efforts, and also provide a CAP, including a timeline, describing the steps that it is taking to establish a business majority on the WIB, and provide CRD with a copy of the WIB roster after the vacancies are filled. Until then, this issue remains open and has been assigned CATS number 90031.

We provide you up to 20 working days after receipt of this report to submit your response to the Compliance Review Division. Because we faxed a copy of this report to your office on the date indicated above, we request your response no later than January 22, 2009. Please submit your response to the following address:

Compliance Monitoring Section
Compliance Review Division
722 Capitol Mall, MIC 22M
P.O. Box 826880
Sacramento, CA 94280-0001

In addition to mailing your response, you may also FAX it to the Compliance Monitoring Section at (916) 654-6096.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is MCWDO's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain MCWDO's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Mechelle Hayes at (916) 654-7005.

Sincerely,



JESSIE MAR, Chief
Compliant Monitoring Section
Compliance Review Division

cc: Jose Luis Marquez, MIC 50
Don Migge, MIC 50, or
Daniel Patterson, MIC 45
Roger Schmitt, MIC 50